



Testimony Before the Human Services Committee
Regarding S. B. No. 316 (Raised)
An Act Establishing a Commission on Nonprofit Health and Human Services

Good morning, Senator Doyle, Representative Walker and members of the Human Services Committee. I am Stan Soby, Vice President for Community Programs at Oak Hill, a non-profit community provider of services to over 550 people of all ages with developmental and other disabilities, located here in Hartford and in over 90 locations in 58 Connecticut towns.

Thank you for the opportunity to speak in support of S. B. No. 316 (Raised), An Act Establishing a Commission on Nonprofit Health and Human Services. My comments will be directed toward the 'charge' of the Commission as detailed in Section 1(g).

For over the past twenty years, the average rate increase per year to private providers has been less than 1% per year. At the same time, the cost of living, as measured by the Consumer Price Index has increased by over 90%.

In good budget years, increases to private providers were limited by the budget's proximity to the budget cap. In years like the last few, there have been no rate increases and, in fact, there have been rate caps instituted in rate calculations made by the Department of Social Services. Those rate caps are *de facto* rate cuts.

A cut of 2% to ICF/MR rates has been proposed, but only for private providers, not for the State-operated ICFs/MR. A 2% cut has been implemented for day services, on a sliding scale based on the previous year's attendance. Providers received contract amendments to this effect late in the day with instructions to return by noon the next, not enough time to review new contract language that was inserted. If providers took longer to review the amendments, service authorizations needed to bill for services were withheld.

We have regularly faced double digit increases in our health insurance costs. We have increased co-pays, changed plan designs and changed insurance carriers to get an almost 20% annual increase to just under 10%, but that's a one time savings. At the same time, the state plan contract is capped at an 8% maximum increase in any one year, with several recent years reflecting no rate increase.

Meanwhile, a number of private provider employees get their health benefits through the HUSKY plan, as they do not work enough hours to qualify for benefits through their employer or cannot afford the cost of employer-based health care. And, that cost for health care to the State is never calculated into rate analyses.

This next comment is not meant to create any animus between public and private sector employees and we understand the value proposition of contracting to the private sector. A staff person came to me during the last year and said he had been working full time at Oak Hill for 22 years and was making about \$18 per hour. He had been working part time for the State, doing the same work, for the past 11 years and was making \$27 per hour. Some fifteen years ago, the hourly rates between Oak Hill employees and their State counterparts were pennies apart.

All of this has a cumulative effect on providers, our employees and, most importantly, the people we serve. Passage of S.B. 316 could put mechanisms in place to begin to reverse the deterioration that has occurred.

We are the safety net. We have been stretched mightily over the past twenty years. We are frayed in many places. If the net tears, people will get hurt.

Thank you.